

C. QUERY SERVICES ARE PROVIDED BY THIRD PARTIES, AS WELL AS INCUMBENT LECs, AND THE TARIFF CHARGES CAN BE AVOIDED ALTOGETHER

It is undisputed that the query services in question will be competitive; that is, other providers, such as Illuminet, will sell database query services to N-1 carriers. It is also indisputable that a carrier that handles calls that terminate to number-portable NXXs can avoid the use of the incumbent's network for querying through the purchase of appropriate services from other providers or by implementing LNP capabilities in its own network. Illuminet, the only party that has expressed on the record an intention to provide query services in competition with Ameritech or Bell Atlantic, contends that the categories of costs that Bell Atlantic and Ameritech seek to recover are not unreasonable in nature. In particular, Illuminet states that:

with the introduction of [number portability], the company must incur not only the necessary capital investment in network configuration costs, but also must ensure that the costs associated with the operational and billing aspects of the service are considered. Thus, it is reasonable for Bell Atlantic and Ameritech to include as a cost category the costs associated with Operational Support Systems and billing systems modifications associated with the provision of [number portability] query service. The Company's descriptions associated with these costs categories support a finding that they are appropriately related to the provision of [number portability] query services, and, therefore, are reasonably included as the

being the ideal standard, the Commission's logic in that proceeding is still applicable today. ARMIS continues to be an accepted reporting method upon which the Commission depends for various data.

types of costs required to develop the [number portability] query service rates.²⁵

Illuminet likewise agrees that the proposed allocation of overhead costs is appropriate to avoid cross-subsidization of query service rates by other Ameritech or Bell Atlantic rates. The service pricing and cost evaluation should, therefore, be evaluated under the light of competition. To the extent that costs are improperly loaded into the service price, the competition will undercut it. If this happens, only the LEC will be harmed, not the carriers in need of query services. If carriers feel that the prices of the incumbent or other providers are excessive, they may avoid the charges altogether through provision of their own capabilities.

IV. THE PROPOSED NON-RECURRING CHARGES ARE NOT INAPPROPRIATE.

AT&T argues that Ameritech's "billing charge" does not actually address non-recurring cost because it could repeat monthly. Where non-recurring/volume sensitive costs are identified, such as those costs identified in connection with billing for default queries, and they can be isolated, they are appropriately recovered through a non-recurring charge to the cost-causer. The fact that events occur repeatedly does not change the validity of this approach. For example, thousands of access orders have been placed over time, many by the same carriers. Yet it remains appropriate to impose a non-recurring charge to recover the cost of processing such orders because of the nature of the underlying costs. The billing charge Ameritech proposes is charged per customer, per bill rendered, whenever default queries are received from a N-1 carrier during a billing

²⁵ Illuminet at 5 (footnotes omitted).

period. This charge is not applied to N-1 carriers for billing periods during which no default queries are actually received from the carrier and no bill is actually rendered. N-1 carriers that prearrange for query services must also create a customer relationship with the LEC and do so using the Access Service Request ("ASR") ordering process and are billed a non-recurring Access Order Charge per the access tariff. Under the tariffs in issue, this charge is not billed to default query customers. Instead, the billing charge, which reflects the non-recurring costs of establishing the appropriate customer relationship for default billing of queries is applied.

V. COMCAST'S ATTEMPT TO FOIST COSTS ONTO ILEC'S AS "TRANSITING CARRIERS" IGNORES THE FCC'S DEFINITION OF N-1 CARRIER.

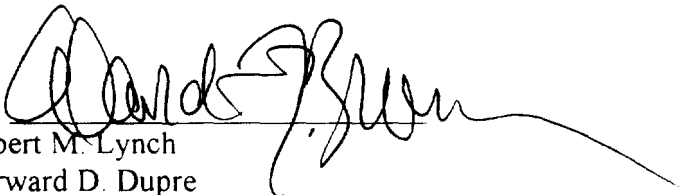
The FCC's Order Designating Issues for Investigation notes that the Commission approved the industry's N-1 querying protocol. This protocol requires the N-1 carrier to perform queries, "where 'N' is the entity terminating the call to the end user, or a network provider contracted by the entity to provide tandem service." Designation Order at ¶ 5 (citing Second Report and Order).²⁶

Comcast's position is, therefore, flatly contradicted by the Commission's definition of a N-1 carrier.

²⁶The Second Report and Order adopted the NANC Architecture and Administration Plan for LNP at ¶ 7.8, which states that transmit networks that simply provide tandem access to termination networks are not N-1 carriers.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE
COMPANY AND PACIFIC BELL

By: 
Robert M. Lynch
Durward D. Dupre
David F. Brown

175 E. Houston, Room 4-C-90
San Antonio, Texas 78205
(210) 351-3478

Nancy C. Woolf

140 New Montgomery Street
San Francisco, California 94105
(415) 545-9424

Attorneys for
Southwestern Bell Telephone
Company and Pacific Bell

February 27, 1998

CERTIFICATE OF SERVICE

I, David F. Brown, hereby certify that the copies of the foregoing
SOUTHWESTERN BELL TELEPHONE COMPANY AND PACIFIC BELL
REBUTTAL were served by hand or by first-class United States Mail, postage prepaid,
upon the parties appearing on the attached service list this 27TH day of February, 1998.

BY: 
DAVID F. BROWN

MARK C. ROSENBLUM
PETER H. JACOBY
JAMES H. BOLIN, JR.
AT&T CORPORATION
ROOM 3247H3
295 NORTH MAPLE AVENUE
BASKING RIDGE, NJ 07920

JOHN M. GOODMAN
MICHAEL E. GLOVER
BELL ATLANTIC TELEPHONE COMPANIES
1300 I STREET, N.W.
WASHINGTON, D.C. 20005

LARRY A. PECK
AMERITECH
2000 WEST AMERITECH CENTER DRIVE
ROOM 4H86
HOFFMAN ESTATES, IL 60196-1025

WILLIAM E. KENNARD
FCC
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

MAGALIE R. SALAS
SECRETARY
FC
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

HAROLD FURCHTGOTT-ROTH, COMMISSIONER
FCC
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

MICHAEL POWELL, COMMISSIONER
FCC
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

GLORIA TRISTANI, COMMISSIONER
FCC
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

SUSAN NESS, COMMISSIONER
FCC
1919 M STREET
WASHINGTON, D.C. 20554

THE COMPETITIVE PRICING DIVISION
COMMON CARRIER BUREAU
ROOM 518
1919 M STREET, N.W.
WASHINGTON, D.C. 20554

ITS
1231 20TH STREET, N.W.
WASHINGTON, D.C. 20036

LEONARD J. KENNEDY
J.G. HARRINGTON
VICTORIA A. SCHLESINGER
DOW, LOHNES & ALBERTSON, PLLC
1200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 800
WASHINGTON, D.C. 20036

JEFFREY E. SMITH
SENIOR VICE PRESIDENT
COMCAST CELLULAR COMMUNICATIONS INC.
480 E. SWEDSFORD ROAD
WAYNE, PENNSYLVANIA 19087

RICHARD WOLF
DIRECTOR, REGULATORY AFFAIRS
ILLUMINET, INC.
4501 INTELCO LOOP
P.O. BOX 2902
OLYMPIA, WASHINGTON 98507

SYLVIA LESSE
THOMAS J. MOORMAN
KRASKIN, LESSE & COSSON, LLP
2120 L STREET, N.W., SUITE 520
WASHINGTON, D.C. 20037

A. RICHARD METZGER, CHIEF
COMMON CARRIER BUREAU
FCC
1919 M STREET, N.W., ROOM 500
WASHINGTON, D.C. 20554

JUDITH A. NITSCHKE, CHIEF
TARAIF PRICING & ANALYSIS BRANCH
COMMON CARRIER BUREAU
FCC
1919 M STREET, N.W., ROOM 518
WASHINGTON, D.C. 20554

JAMES LICHFORD
COMPETITIVE PRICING DIVISION
COMMON CARRIER BUREAU
FCC
1919 M ST., N.W., ROOM 518
WASHINGTON, D.C. 20554

LOREETTA J. GARCIA
DONALD J. ELARDO
MCI TELECOMMUNICATIAONS CORP.
1801 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006

ALAN BUZACORT
REGULATORY ANALYST
MCI TELECOMMUNICATIONS CORP.
1801 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006

RICHARD WELCH
COMMON CARRIER BUREAU
FCC
1919 M STREET, N.W.
ROOM 500
WASHINGTON, D.C. 20554

JAMES SCHLICHTING
FCC
1919 M STREET, N.W.
ROOM 518
WASHINGTON, D.C. 20554

JANE JACKSON
FCC
1919 M STREET, N.W.
ROOM 518
WASHINGTON, D.C. 20554

JOSEPH R. ASSENZO
GENERAL ATTORNEY
ATTORNEY FOR SPRINT SPECTRUM, L.P.
d/b/a SPRINT PCS
4900 MAIN ST., 12TH FLOOR
KANSAS CITY, MO 64112

BRIAN CONBOY
THOMAS JONES
JAY ANGELO
WILLKIE FARR & GALLAGHER
THREE LAFAYETTE CENTRE
1155 21ST STREET, N.W.
WASHINGTON, D.C. 20036

RICHARD S. WHITT
ANNE F. LA LENA
WORLDCOM, INC.
1120 CONNECTICUT AVENUE, N.W.
SUITE 400
WASHINGTON, D.C. 20036